

**Testimony to the
U.S. House of Representatives
Committee on Resources
Subcommittee on Water and Power
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By

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**For the Oversight Hearing
On
"Implementation of the California Plan for the Colorado River"
Las Vegas, Nevada**

Mr. Chairman and Members of the Subcommittee, I am Maureen Stapleton, General Manager of the San Diego County Water Authority. I appreciate the opportunity to discuss the status and current progress in implementing California's Colorado River Water Use Plan (California Plan) on behalf of Southern California's major users of the Colorado River water. The Metropolitan Water District of Southern California (MWD), the Coachella Valley Water District (CVWD), Imperial Irrigation District (IID) and the San Diego County Water Authority (SDCWA), which I will refer to collectively as the "Agencies" -- have progressed considerably in a unified and cooperative effort to ensure that California can live within its basic apportionment of Colorado River water.

This California Plan progress report is being supplemented with additional Agencies' statements on efforts that further serve to advance the California Plan and to meet the region's water supply and management needs. I respectfully request that our collective written statements be made part of the hearing record. I am also including letters from representatives of the Colorado River basin states indicating both their support and concern for the implementation of the California Plan, and for Congressman Hunter's bill to facilitate its implementation, H. R. 2764. I request that these letters also be made part of the hearing record.

The Colorado River is a vital water resource for Southern California, supporting a tremendous agricultural industry and more than 17 million residents in one of the most economically productive regions of the world, including the cities of Los Angeles and San Diego. The state has a Colorado River basic annual apportionment of 4.4 million acre-feet per year. But for many years California has used over 5 million acre-feet per year, relying on system surpluses and the apportioned but unused waters of Arizona and Nevada. California's reliance on water above its basic apportionment has long been of great concern to the other Colorado River Basin states and Mexico. In recent years, Arizona and Nevada have begun using nearly their full apportionments, and dry weather has diminished opportunities for system surpluses. California now has no alternative but to reduce its reliance on the river. The California Plan must be implemented to allow the state to transition to its basic apportionment of 4.4 million acre-feet per year. Unless California can eliminate its reliance on surplus, the Southern California urban coastal plain will face massive water shortages.

The magnitude of our joint effort is extraordinary. We are reducing California's use of Colorado River water

up to 800,000 acre-feet per year and must still continue to meet the region's water needs. This reduction is equivalent to the amount of water used annually by more than 5 million people in Southern California. Such a dramatic shift in resources is made possible through California Plan programs to conserve agricultural water and transfer it for urban uses, as well as groundwater storage and conjunctive use projects, and other water management programs. One of the most important components of the California Plan is the transfer of up to 200,000 acre-feet per year of water from the IID to SDCWA. This transfer will shore up the reliability of the region's water supply and help eliminate the dependence on surplus water to fill the Colorado River Aqueduct.

Progress to Date

California is at a crucial juncture in terms of its use of Colorado River resources. The urgent need to reduce river use is well understood by the Agencies. They have responded with the California Plan, which was developed in consultation with and is supported by the other six Colorado River Basin states and the Department of the Interior. To date, the Agencies have successfully fast-tracked a wide range of complex legal agreements and environmental documents needed to implement the Plan. The October 1999 Key Terms For Quantification Settlement Among the State of California, IID, CVWD and MWD identified 12 specific areas of conditions that need to be satisfied or waived prior to execution of the QSA and related documents. This includes the completion of the related environmental reviews, implementing interim surplus guidelines, implementing an inadvertent overrun and payback program relative to Colorado River water consumptive use, completing the SWRCB water transfer petition review process, and obtaining conserved water and a means to deliver the water for the San Luis Rey Indian Water Rights Settlement Act. The critical path for satisfaction of the conditions contains the environmental reviews and the subsequent SWRCB water transfer petition review process for the IID/SDCWA and the IID/CVWD/MWD option water transfers. The remaining conditions have been or are achievable within the required time frame for executing the QSA and related documents.

The following is a list of the major accomplishments (including program and project implementation) to date that either relate to the California Plan or aid in their effectiveness and implementation.

- * December 1988 - IID/MWD Water Conservation and Use of Conserved Water and the associated 1989 Approval Agreement
- * April 1998 - Water Conservation and Transfer Agreement between IID and SDCWA
- * August 1998 - Water Exchange Agreement between SDCWA and MWD
- * September 1998 - State funding of \$235 million for canal lining and conjunctive use elements of the California Colorado River Water Use Plan
- * October 1999 - Key Terms for Quantification Settlement Agreement Among the State of California, IID, CVWD and MWD (a prerequisite for Secretarial approval of transfers)
- * November 1999 - Secretary of the Interior Final Rule on Offstream Storage of Colorado River Water (Interstate Banking)
- * May 2000 - California Colorado River Water Use Plan (a prerequisite for Secretarial Colorado River Interim Surplus Guidelines)

- * December 2000 - Public release of the draft QSA by QSA parties
- * January 2001 - United States Fish & Wildlife Service Biological Opinion for interim Surplus Guidelines and river impacts of the QSA
- * January 2001 - Record of Decision Colorado River Interim Surplus Guidelines
- * May 2001 - Interim Surplus Guidelines Agreement between Arizona and MWD
- * Draft Interim Surplus Guidelines Agreement between Southern Nevada Water Authority and MWD
- * Quantification Settlement Agreement (QSA) and related environmental reviews and negotiations
- * Proposed Land Management, Crop Rotation, Water Supply Program between PVID and MWD
- * Draft Coachella Valley Water Management Plan
- * All American Canal and Coachella Canal lining projects environmental reviews, state funding and construction agreements
- * Drafts of the QSA and all related legal documents
- * MWD, in cooperation with others, has initiated development of potential River water storage and conjunctive use programs in:
 - Hayfield Valley
 - Chuckwalla Valley
 - Cadiz Valley
 - Lower Coachella Valley
 - Arizona

The California water agencies have already spent millions of dollars toward formulating and securing approval of vital components of the California Plan, and will commit billions of dollars upon their implementation. In addition, the State of California has appropriated \$235 million for canal lining and groundwater projects in furtherance of the California Plan. The Plan will be complemented by efforts to aggressively promote additional water conservation, water reuse, and local water supply development within the service area boundaries of each agency, which are discussed in the accompanying Agencies' statements.

California Plan - Implementation Timeline

California was given the time necessary to implement the water conservation and transfers when the Secretary of Interior adopted the Interim Surplus Guidelines (Guidelines) in January 2001. The Guidelines are essentially rules for operating Lake Mead that allow California to receive additional surplus water for 15 years, or through 2016. During this interim period, California is expected to implement the necessary water transfers and other programs. California has already obtained great benefit from this action, receiving

enough water this calendar year to maintain a full Colorado River Aqueduct for urban water use. The Guidelines are contingent, however, upon California's successful completion of certain deadlines and milestones.

One critical deadline that must be met is the execution of the Quantification Settlement Agreement (QSA), the most important element of the California Plan, by December 31, 2002. The ability to execute the QSA by this deadline is the single most important issue facing us today. If the QSA is not executed by this deadline, the California Plan is at grave risk of unraveling. The Parties, in consultation with the Congress and the federal administration, have concluded that federal assistance - either through administrative actions or legislation - is needed to meet the QSA deadline.

The QSA is an agreement designed to settle longstanding differences between the Agencies and implement core water transfers, including the Imperial/San Diego transfer. An integral part of the California Plan, the QSA must be completed to continue the Guidelines and allow the California Plan to go forward. The Guidelines specifically provide that unless the QSA is executed by December 31, 2002, the surplus provisions that benefit Southern California will be suspended until such time as California completes all required actions and complies with reductions in water use reflected in the Guidelines. This means that the additional surplus water provided under the Guidelines could be revoked as early as calendar year 2003, resulting in the loss of up to 700,000 acre-feet per year of water to urban southern California.

Environmental Compliance Issues

The Agencies have worked with the United States Fish and Wildlife Service and the Bureau of Reclamation to reach agreement on an on-river habitat and backwater mitigation plan to address the impacts of transferring 400,000 acre-feet of water per year. The impacts include changing the point of water diversion from the river and location of water use. Additionally, agreements will be in place for in-valley measures to mitigate impacts of the programs in the area where the water conservation will occur. Likewise, project-specific environmental reviews are addressing project impacts. This includes canal lining projects and water storage and conjunctive use programs.

The remaining major federal issue regarding execution of the QSA is how to address potential environmental impacts of water transfers on the Salton Sea. The transfer of conserved water from the agricultural sector to the urban sector is essential in order to allow California to live within its 4.4 million acre-foot basic apportionment. However, water conservation in agricultural areas using Colorado River water, specifically the Imperial Irrigation District, may cause reduced agricultural drainage inflows into the Salton Sea.

The Salton Sea and its fishery are man-made. The Salton Sea was created in 1905 when floodwaters of the Colorado River broke through diversion facilities along the river near the international boundary and carried the entire flow of the Colorado River through the Alamo canal into the below sea level Salton Sink until the breach was finally closed in 1907. As provided for by presidential executive orders in the 1920's, the principal purpose of federal Salton Sink lands beneath elevation minus 220 feet since that time has been to serve as a drainage reservoir for the irrigation drainage waters from the Imperial, Coachella and Mexicali valleys. Without these drainage inflows, the Sea would evaporate and disappear. Freshwater fish species that were carried by the floodwaters died off as the salinity level of the Sea rose. Beginning in 1929, the California Department of Fish and Game created a salt water fishery by introducing various species of sport fish from the Gulf of California. Other exotic fish have been accidentally introduced to the Sea and have established populations.

Today the Salton Sea is used by many species of migratory birds, including certain endangered species. Some of these birds rely on the fish in the Sea for their food source. Because of evaporation, the Sea's salinity has increased steadily over the years, and will continue to increase absent intervention. Now at a salinity of 44,000 parts per million, which is 25 percent saltier than the Pacific Ocean, the Salton Sea is approaching a "hypersaline" condition, in which the reproduction and survival of fish is jeopardized. It has been estimated that under current conditions, the Sea will reach a critical salinity level that is unable to support a fishery in 7 to 25 years.

The causes of increasing salinity and environmental decline of the Salton Sea extend far beyond any effect of the transfers. Congress recognized this fact in the 1998 Salton Sea Reclamation Act (Public Law 105-372) and directed that the transfers be included in the baseline condition of proposed Salton Sea reclamation options. The legislation acknowledged the transfers' importance to California, the other Colorado River Basin states, and Mexico.

The 1998 reclamation law required a feasibility study, providing reclamation options, be submitted to Congress by January 1, 2000. This study has yet to be completed. The QSA, and its 2002 deadline for execution, is therefore ahead of the federal Salton Sea reclamation effort. Because of this, the Agencies must separately address environmental compliance related to the water transfers at the Salton Sea. This is difficult because the environmental impacts related to the Endangered Species Act are temporal in nature and not easily quantified. The best scientific analysis available has shown that the Salton Sea will reach the critical hypersaline environment 1 to 9 years earlier if the QSA transfers are implemented. Absent a comprehensive solution, the Salton Sea will soon reach a hypersaline level with or without the QSA water transfers.

These matters are beyond the Agencies direct control to resolve. Accordingly, the Agencies have met extensively with Department of the Interior officials, including the Bureau of Reclamation and U.S. Fish and Wildlife Service, to determine how the QSA may be executed within the time frame required. We are very appreciative of the assistance we have received and the recognition that this is an urgent matter. In August, Congressman Hunter introduced the Colorado River Quantification Settlement Facilitation Act (H.R. 2764), to address the Salton Sea issues and other matters important to the California Plan. H.R. 2764 provides \$60 million for the first phase of Salton Sea reclamation, if Congress authorizes such reclamation before 2007. If reclamation were not authorized by that time, the funds would be used for habitat enhancement programs to protect endangered species that use the Salton Sea. The measure would also provide \$53 million for small off-stream water management reservoirs to improve water conservation and river management, which could also provide improved water supply management options for Mexico. The Bureau of Reclamation estimated that last year about 300,000 acre-feet was lost from Colorado River reservoir storage because of the inability to re-regulate lower Colorado River flows. More recently, Congressman Calvert's H.R. 3208, the Western Water Security Enhancement Act, would authorize the appropriation of \$60 million for activities to address environmental impacts on the Salton Sea associated with implementation of the QSA.

The Agencies have also pursued a similar course of action with California's state administration and legislature to address compliance with the California Endangered Species Act and a special provision of California law dealing with "Fully Protected Species." The State of California places a high priority on implementing the California Plan and the associated QSA, and the Secretary for the California Resources Agency, Mary Nichols, is chairing a broad-based group working to solve the state issues. All of the parties recognize the urgency of getting a bill before the California legislature in January 2002.

Federal Administrative or Legislative Actions

Mr. Chairman, the California Plan and its related agreements came into existence at the insistence of and with the welcome coordination of the federal government, expressed through the Secretary of the Interior and the Bureau of Reclamation, which have responsibility for managing the Colorado River. I believe there is a recognition, and rightfully so, that the federal government has a large stake in the California Plan and QSA and shares with us a responsibility to effect their implementation. Additionally, the Colorado River Basin states deserve a workable, credible, and specific plan to meet the objectives of the Interim Surplus Guidelines and the California Plan. The states deserve no less, as the rightful beneficiaries of a settlement of these historic entitlements. To accomplish this goal we should continue along the following course:

First, Congress needs to address the reclamation of the Salton Sea as a separate matter consistent with the 1998 Salton Sea Reclamation Act. Each of the Agencies has passed a resolution in support of expeditiously addressing the reclamation of the Salton Sea. Congress through the 1998 Act assumed a decision responsibility for reclamation of the Salton Sea and established a federal role and responsibility for any reclamation actions. Reclamation of the Sea cannot and should not be the responsibility of the Agencies.

Secondly, in order to address the outstanding issues relating to the Salton Sea which I have identified, there may be administrative and legislative options that need to be pursued to accomplish the objectives of the QSA. At the administrative level, we have been working closely with the Department of the Interior, the Bureau of Reclamation, and the Fish and Wildlife Service to expeditiously address the remaining issues. At the legislative level, Congressman Hunter introduced H.R. 2764 to address the Salton Sea issues and other matters important to the California Plan, and Congressman Calvert has included in H. R. 3208 substantial funding to deal with Salton Sea environmental issues. Depending upon the administrative solutions available, complementary action by Congress may be needed as an integral part of the solution and in order to meet the deadlines we face.

In concluding, I would like to restate the Agencies' commitment to executing the QSA, maintaining the Colorado River Interim Surplus Guidelines for the full interim period, and implementing the California Plan to allow California to live within its basic apportionment.

And finally, we would like to express our appreciation for the opportunity to appear before the Committee today to discuss these very important matters. We look forward to addressing any questions you may have.

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